

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

E-DATA CORPORATION,

Plaintiff,

v.

CORBIS CORPORATION, *et al.*,

Defendants.

Case No. C04-1733L

ORDER GRANTING CORBIS'S
MOTION FOR SUMMARY
JUDGMENT AND REQUESTING
ADDITIONAL BRIEFING ON
ATTORNEY'S FEES

This matter comes before the Court on the Motion for Summary Judgment (Dkt. # 51) filed by defendant Corbis Corporation ("Corbis"). For the reasons set forth below, the motion is granted. The Court, however, defers ruling on Corbis's request that it be awarded attorney's fees under 35 U.S.C. § 285 until the Court has received additional briefing from the parties.¹

I. BACKGROUND

The factual and procedural background regarding this dispute has already been set forth in this Court's Order Granting Summary Judgment and Requesting Additional Briefing On the Issue of Attorney's Fees (Dkt. # 47, the "Prior Order"). In the Prior Order, the Court held that

¹Corbis requested oral argument. Because the matters relating to the substantive claims against Corbis can be decided on the memoranda, declarations, and exhibits submitted by the parties, the request for oral argument is DENIED. Corbis, of course, may renew its request for oral argument in its additional briefing regarding attorney's fees.

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1 defendant Getty Images, Inc. (“Getty”) did not literally infringe U.S. Patent No. 4,528,643 (the
2 “‘643 Patent”). The Court relied on the Federal Circuit’s construction of two of the ‘643
3 Patent’s terms, “material object” and “point of sale location.” See Prior Order at p. 4 (citing
4 Interactive Gift Exp., Inc. v. Compuserve Inc., 256 F.3d 1323, 1333 & 1338 (Fed. Cir. 2001).

5 The term “material object” was construed by the Interactive Gift Court

6 to be a tangible medium or device in which information can be embodied, fixed, or
7 stored, other than temporarily, and from which the information embodied therein
8 can be perceived, reproduced, used or otherwise communicated, either directly or
9 with the aid of another machine or device. A material object must be offered for
10 sale, and be purchasable, at point of sale locations where at least one IMM is
11 located. Further, a material object must be separate and distinct from the IMM,
removed from the IMM after purchase, and intended for use on a device separate
from the IMM either at the point of sale location or elsewhere. ‘Material object’
does not encompass the hard disk component of a personal computer. Finally, a
material object need not be offered for sale independently from the information
that may be reproduced onto the material object, that is, as a blank.

12 Interactive Gift, 256 F.3d at 1338.

13 The Federal Circuit construed the term “point of sale location” to mean “‘a location
14 where a consumer goes to purchase material objects embodying predetermined or preselected
15 information.’” Id. at 1333 (citing ‘643 Patent, col. 5, ll. 47-50).

16 The Prior Order compared Getty’s system for licensing images over the internet to the
17 claims and limitations set forth in the ‘643 Patent. The Court held that Getty does not literally
18 infringe the ‘643 Patent because Getty’s system for licensing images does not involve the sale of
19 “material objects” and because the typical licensing and downloading of a Getty image does not
20 convert a personal computer into a “point of sale location.” The Court also held that Getty does
21 not infringe under the doctrine of equivalents and that Getty does not indirectly infringe the ‘643
22 Patent. The Court denied E-Data’s request for a continuance under Fed. R. Civ. P. 56(f), and
23 requested further briefing from the parties regarding an award of attorney’s fees under 35 U.S.C.
24 § 285.

25 In its motion for summary judgment, Corbis contends that, like Getty, it licenses the
26 rights to photographic images and makes its images available for download through its website.

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1 Corbis contends, and E-Data does not dispute, that “in all respects material to issues of
2 infringement of the ‘643 patent, the Getty and Corbis systems are the same.”

3 **II. DISCUSSION**

4 **A. Standard of Review.**

5 As in other civil disputes, summary judgment in patent infringement proceedings is
6 proper if “the pleadings, depositions, answers to interrogatories, and admissions on file, together
7 with the affidavits, if any, show that there is no genuine issue as to any material fact and that the
8 moving party is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(c).

9 A court must construe all facts in favor of the party opposing summary judgment. See
10 Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 255 (1986). Once the moving party has
11 demonstrated the absence of a genuine issue of fact as to one or more of the essential elements
12 of a claim or defense, the opposing party must make an affirmative showing on all matters
13 placed at issue by the motion as to which the opposing party has the burden of proof at trial. See
14 Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986). In such a situation, Fed. R. Civ. P. 56(e)
15 “requires the nonmoving party to go beyond the pleadings and by her own affidavits, or by the
16 ‘depositions, answers to interrogatories and admissions on file,’ designate ‘specific facts
17 showing that there is a genuine issue for trial.’” Id. at 324 (quoting Fed. R. Civ. P. 56(e)); see
18 also Matsushita Elec. Indus. Co., Ltd. v. Zenith Radio Corp., 475 U.S. 574, 586-87 (1986)
19 (“When the moving party has carried its burden under Rule 56(c), its opponent must do more
20 than simply show that there is some metaphysical doubt as to the material facts”).

21 **B. Claim Construction.**

22 A determination of infringement requires a two step analysis. “First, the claim must be
23 properly construed to determine its scope and meaning. Second, the claim as properly construed
24 must be compared to the accused device or process.” Carroll Touch, Inc. v. Electro Mechanical
25 Systems., Inc., 15 F.3d 1573, 1576 (Fed. Cir. 1993). With regard to the first step, the claim
26 terms at issue here have previously been construed by the Federal Circuit in Interactive Gift.

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1 This Court relied on the Interactive Gift claim constructions in its Prior Order and will do so
2 here.

3 The second step of the infringement analysis, determining whether a particular device
4 infringes a properly construed claim, is generally a question of fact. See Fromson v. Advance
5 Offset Plate, Inc., 720 F.2d 1565, 1569 (Fed. Cir. 1983). Nevertheless, summary judgment is
6 appropriate where, *inter alia*, no reasonable fact finder could find infringement. See
7 Warner-Jenkinson Co., Inc v. Hilton Davis Chem. Co., 520 U.S. 17, 39 n.8 (1997).

8 **C. Literal Infringement and Infringement Under the Doctrine of Equivalents.**

9 Proving literal infringement requires E-Data to show that the system for licensing images
10 over the internet used by Corbis contains each of the limitations set forth in the '643 Patent's
11 claim. See Bowers v. Baystate Techs., 320 F.3d 1317, 1334 (Fed. Cir.), cert. denied, 539 U.S.
12 928 (2003). "If even one limitation is missing or not met as claimed, there is no literal
13 infringement."² Mas-Hamilton Group v. LaGard, Inc., 156 F.3d 1206, 1211 (Fed. Cir. 1998).
14 To prove infringement under the doctrine of equivalents, E-Data must show that even if Corbis's
15 system does not literally infringe, "there is 'equivalence' between the elements of the accused
16 product or process and the claimed elements of the patented invention." Warner-Jenkinson, 520
17 U.S. at 21. If a single limitation of a claim or its equivalent is not present in the accused device,
18 then that device cannot infringe under the doctrine of equivalents. See Pennwalt Corp. v.
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20 ²E-Data argues that it need only show that "Corbis's system is reasonably capable of performing
21 in an infringing manner." Dkt. # 61, Opp. at p. 4 (citing Hilgraeve Corp. v. Symantec Corp., 265 F.3d
22 1336, 1343 (Fed. Cir. 2001)). The standard set forth in Hilgraeve, however, only applies to infringement
23 of a product claim, not infringement of the method claim at issue here. See In re Dippin' Dots Patent
24 Litig., 249 F. Supp. 2d 1346, 1368 (N.D. Ga. 2003). Accordingly, the Court applies the general standard
25 set forth by the Federal Circuit: "summary judgment of no literal infringement is proper when no genuine
26 issue of material fact exists, in particular, when no reasonable jury could find that every limitation recited
in the properly construed claim either is or is not found in the accused device." Irdeto Access, Inc. v.
Echostar Satellite Corp., 383 F.3d 1295, 1299 (Fed. Cir. 2004) (internal citation and quotation omitted).
In any event, even if the Hilgraeve standard were to apply, E-Data has still not met its infringement
burden.

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1 Durand-Wayland, Inc., 833 F.2d 931, 936 (Fed. Cir. 1987) (en banc.).

2 E-Data does not dispute that Corbis's system for licensing images over the internet is in
3 all material respects identical to the system used by Getty and found to be non-infringing by this
4 Court. E-Data tries to escape the summary judgment cross-hairs by suggesting that Interactive
5 Gift "does not preclude the interpretation that information purchased (or licensed) at the point of
6 sale location can be embodied or copied onto a blank provided by the consumer of the
7 information at the point of sale location." Dkt. # 61, Opp. at p. 3. For all of the reasons set
8 forth in the Prior Order, E-Data is mistaken.³ Corbis's system for transferring information does
9 not directly infringe the '643 Patent or infringe under the doctrine of equivalents.

10 Most notably, E-Data's latest argument recognizes that Corbis does not sell tangible
11 objects, but only leases information transferred over the internet. The term "material object,"
12 however, describes a "tangible medium or device." Interactive Gift, 256 F.3d at 1338. Under E-
13 Data's latest theory, Corbis only sells information which is later embodied onto a tangible
14 object. As this Court has previously held, the term "material object" as construed by Interactive
15 Gift forecloses this argument:

16 Although . . . information may subsequently be copied onto a "material object,"
17 this occurs after the sale of the information to the customer. The system described
18 by the '643 Patent, on the other hand, does not just sell information, but sells
19 information that has been copied onto a material object. As the Interactive Gift
20 court made clear, the '643 Patent requires not just the purchase of information, but
21 also 'the *purchase of the material object* by the consumer.'"

22 Prior Order at p. 5 (citing Interactive Gift, 256 F.3d at 1338) (emphasis in Prior Order). The
23 Interactive Gift court left no doubt that the '643 Patent "provides a system for the distributed
24 manufacture and sale of material objects at multiple locations directly serving consumers."

25 ³E-Data argues that the "Patent provides support for this position," Opp. at p. 4, and cites
26 generally to its claim construction brief. (Dkt. # 56). The language of the '643 Patent, however, only
supports the conclusion reached by the Federal Circuit and by this Court. The '643 Patent requires that a
consumer go to a point of sale location "to purchase *material objects* embodying predetermined or
preselected information." '643 Patent, col. 5, ll. 48-50 (emphasis added).

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1 Interactive Gift, 256 F.3d at 1327. Regardless of the type of information transferred, “the
2 invention requires the purchase of the material object by the consumer, and the material object
3 must contain information that was copied onto it at the point of sale location.” Id. at 1328. Put
4 simply, the sale of information through Corbis’s system does not infringe the ‘643 Patent. This
5 is true even if Corbis customers subsequently embody the information onto a material object.

6 E-Data also suggests that its proposed construction transforms the information sold by
7 Corbis into a material object. This argument, however, fails to recognize that the newly
8 advanced construction is not supported by the terms of the ‘643 Patent or the Federal Circuit’s
9 claim construction. Indeed, the Federal Circuit held that “[a] material object cannot be the
10 information itself.” Interactive Gift, 256 F.3d at 1336. E-Data’s strained efforts to expand the
11 meaning of “material object” cannot escape the Interactive Gift holding.

12 For the reasons stated above and for the reasons set forth in the Prior Order, Corbis does
13 not literally infringe the ‘643 Patent and does not infringe under the doctrine of equivalents.

14 **D. Indirect Infringement.**

15 Corbis has also moved for summary judgment on E-Data’s claim that it indirectly
16 infringed the ‘643 Patent. In its opposition, E-Data does not contest this assertion. For the
17 reasons set forth in the Prior Order, Corbis’s motion to dismiss the indirect infringement claims
18 is granted.

19 **E. E-Data’s Rule 56(f) Motion.**

20 E-Data argues that summary judgment is premature and urges this Court to postpone
21 ruling on the motion until E-Data has an opportunity to conduct further discovery. Fed. R. Civ.
22 P. 56(f) states:

23 Should it appear from the affidavits of a party opposing the motion that the party
24 cannot for reasons stated present by affidavit facts essential to justify the party’s
25 opposition, the court may refuse the application for judgment or may order a
discovery to be had or may make such other order as is just.

26 The information E-Data seeks to discover is identical to the information it claimed merited a

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1 Rule 56(f) continuance when faced with Getty's summary judgment motion. Compare Dkt. #
2 37 at pp. 8-9 with Dkt. # 61 at p. 8. The Court denies E-Data's request for a continuance for the
3 same reasons set forth in the Prior Order. See Prior Order, pp. 9-11.

4 **F. Award of Attorney's Fees or Costs.**

5 In patent infringement claims, "[t]he court in exceptional cases may award reasonable
6 attorneys' fees to the prevailing party." 35 U.S.C. § 285. As this Court has previously held, an
7 award of attorney's fees is a serious matter that may not be undertaken lightly. See Prior Order
8 at p. 11. To ensure that the issue is given due consideration, the Court requires additional
9 briefing on the issue. The parties' briefs are not to exceed five pages and must lay out, in detail,
10 Corbis's rationale for seeking fees under § 285 and why E-Data believes an award of fees is not
11 warranted. The motion for attorney's fees will be noted on the Court's calendar for September
12 23, 2005. Corbis's motion and E-Data's response will be due in accordance with the non-
13 dispositive motions and briefings schedule set forth in Local CR 7(d)(3).

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1 **III. CONCLUSION**

2 For all of the foregoing reasons and for all the reasons set forth in this Court's Order
3 Granting Summary Judgment and Requesting Additional Briefing on the Issue of Attorney's
4 Fees (Dkt. # 47), Corbis's Motion for Summary Judgment (Dkt. # 51) is GRANTED. This
5 Court defers ruling on Corbis's request for attorney's fees until it has received additional
6 briefing from the parties.⁴ The Clerk of the Court is directed to note Corbis's motion for
7 attorney's fees under 35 U.S.C. § 285 on the Court's calendar for Friday, September 23, 2005.
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9 DATED this 29th day of July, 2005.
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12 Robert S. Lasnik
13 United States District Judge
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25 ⁴The parties are encouraged to continue efforts toward resolution of the case that would not
26 require the Court to rule on this pending motion. Any award of attorney's fees will not include fees
expended from this point forward.

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